

1 CHAIR JAMES: How about convenience gambling, do you  
2 want to give us where we are at on that?

3 DR. SHOSKY: Sure, I would be glad to.

4 CHAIR JAMES: We have talked about this one a great  
5 deal, I think, yesterday and some this morning. We probably  
6 haven't said all there is to say, and hasn't been said by every  
7 Commissioner.

8 COMMISSIONER DOBSON: That was a barely veiled warning.

9 DR. SHOSKY: Just a few things, really quick.

10 I think after having drafted a chapter on this that the  
11 intuition that we have to study this, and I did realize that. I  
12 have to tell you that getting into the data was very interesting  
13 for me.

14 The problem that I had with the first draft was finding  
15 the right focus, because it depends on what definitions you use.  
16 As you probably know, there are three or four various  
17 definitions, and the definitions really slant the issue  
18 considerably one way or the other.

19 Let me give you a case in point. Yesterday we talked  
20 about local versus resort casino. Well, okay, that is one way to  
21 do it. What do we mean by retail gambling? That is another way  
22 of looking at it. What do we mean by neighborhood gambling?  
23 That is another way to look at it.

24 One person who has testified said that we should look  
25 at non-casino electric gambling devices. Well, okay, that is  
26 another way to look at it. And the definitional problem really  
27 becomes the whole chapter, because once you make that decision,  
28 then all of the data, which is very minimal, I might add, but  
29 whatever data is there just sort of falls in line.

1           So first and foremost it seems like there is this  
2   definitional concern.

3           COMMISSIONER LEONE: By the way, you don't have it in  
4   the glossary, which is a give-away, because we haven't decided  
5   how to define it. We can't have a chapter --

6           DR. SHOSKY: I was feeling good about that glossary,  
7   but okay, thank you we will get that in there, in some form, or  
8   maybe all these forms. Thanks for pointing that out.

9           The second issue is concerning the data itself. We  
10   have conducted an incredibly thorough, I think, review of the  
11   literature, because we have done it more than once, because I  
12   couldn't believe there was so little.

13          We have pulled up quite a bit of news stories,  
14   speculative comments about convenience gambling. There is not a  
15   lot of data. What data is there, and what surveys are there, we  
16   are trying to use, and get as much as we can out of them.

17          But I'm hoping that this questionnaire that  
18   Commissioner McCarthy was talking about will provide some cutting  
19   edge new information for us to be able to use here, as well.

20          Other than that I'm sure everything else has been said.  
21   But it seems to me that those two issues, the definitional issue,  
22   and the issue about the actual data that we have might be things  
23   we haven't talked about very much.

24          COMMISSIONER WILHELM: I'm going to be  
25   uncharacteristically succinct, in view of your warning a moment  
26   ago.

27          But I'm very concerned about this issue for the precise  
28   reason that you say, John, there is very little study. But to  
29   the -- I believe there is a fair amount of sentiment in the  
30   Commission, I don't know if I could say consensus, that this is a

1 substantially important issue because it is part of this  
2 proliferation of gambling that triggered this Commission in the  
3 first place, and because intuitively it seems like one of the  
4 more dangerous kinds of gambling.

5 I think you are absolutely right, John, we have to zero  
6 in on definitions in this draft chapter, for example, in terms of  
7 convenience and the term neighborhood is used interchangeably,  
8 and I don't think that is appropriate.

9 I happen to think that there are serious problems with  
10 both. That is both convenience gaming everywhere, and with  
11 neighborhood gaming, even if it is big, and therefore may not be  
12 called convenience.

13 I also think that the gray area machine issue has got  
14 to be looked at here. I'm pleased to see that it has been added  
15 to the questionnaire that went to the governors.

16 On the other hand, realistically, I don't see having a  
17 lot of data from the governor's questionnaire in time for this  
18 report to be written. And finally, although you attempt to  
19 address in the draft the possibility, or in my personal view, the  
20 probability that the pathological gambling impact is potentially  
21 worse, it is also true, at least with convenience gaming, and  
22 most definitions of it, that the economic impact is minimal.

23 Along the lines Richard was saying earlier about  
24 lotteries, you know, if you stick a couple of slot machines in a  
25 Seven Eleven it doesn't have any significant economic impact,  
26 except maybe a little more profit.

27 So that would conceivably, or it may be that the Seven  
28 Eleven should have gone out of business, according to the market.  
29 But other than that I think its economic impact is minimum,  
30 indeed, and I think we should address that.

1           And this fits into Jim's earlier recommendation. It is  
2 the obverse of Jim's earlier recommendation about destination  
3 resorts.

4           But I agree with you, it is very hard for us to fill  
5 this out, even though I think it is a remarkably important area.

6           COMMISSIONER DOBSON: That was characteristically  
7 brief, John.

8           COMMISSIONER LEONE: That was characteristic.

9           COMMISSIONER DOBSON: Let me put into a recommendation  
10 what you just said. Maybe this is not what you said, but it is  
11 what I think you said.

12          CHAIR JAMES: It is what you want him to say.

13          COMMISSIONER DOBSON: What I want him to say.

14          COMMISSIONER WILHELM: And I increasingly say what Jim  
15 wants me to.

16          COMMISSIONER DOBSON: The question is whether or not we  
17 have the courage to put the bottom line to some of the views  
18 expressed, convenience gambling creates the most social problems  
19 with the fewest potential economic benefits; therefore  
20 convenience gambling, however we define it, the placement of  
21 gambling devices in convenience stores, laundromats, restaurants  
22 and so on, should be discouraged.

23          CHAIR JAMES: It has been properly seconded. In favor  
24 Aye?

25          (Chorus of ayes.)

26          COMMISSIONER WILHELM: Look, that is approximately what  
27 I said. I agree with Jim, with the thrust of that. My only  
28 concern is whether or not our record supports those claims, I  
29 don't know if it does or not, I'm a little dubious.

1 But I think, myself, I agree with those things. I also  
2 believe, however, that the issue of neighborhood gambling, even  
3 if it is bigger than what we would normally define convenience  
4 gambling, has got to be looked at, as well.

5 CHAIR JAMES: Let's do this, because there was a  
6 tremendous, I thought, amount of consensus on this issue  
7 yesterday. And based on the information and the research that we  
8 currently have in, that we instruct the staff to come up with the  
9 strongest possible language that we can support in that area.

10 And a lot of that is going to have to depend on, it  
11 will not depend on, but a big part of what we have to do, I think  
12 is definitions.

13 COMMISSIONER LEONE: Could I make a suggestion? I  
14 think where we have come to a conclusion that we feel relatively  
15 strongly about something, but we are not sure that we have  
16 developed the evidence, or made the case, when we feel that way  
17 we should not withhold the recommendation.

18 But we could make a recommendation, for example, that  
19 we call on states to have a moratorium on the expansion of  
20 gambling until, and I think we could -- first of all, I think  
21 that is politically attractive idea, and it has occurred in other  
22 areas, and it would force a more explicit debate.

23 These things tend to creep in at the 11th hour in a  
24 budget deal, let's put another 30 million dollar in, and that  
25 will bridge the gap, put X number of machines.

26 So particularly in this area, where there isn't a well  
27 developed record, but we all feel we are sliding down, and as  
28 soon as this Seven Eleven gets a machine, the guy around the  
29 corner says, I'm going to go out of business if I don't have this  
30 machine.

1 CHAIR JAMES: And I certainly hope we will see some  
2 discussion of the South Carolina, I don't want to use such a  
3 value weighted word, but fiasco.

4 COMMISSIONER WILHELM: I think you would get support on  
5 that.

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